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FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.

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DEC 4 - 1964

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TROPICAL PRODUCTS
FTEA 2-59
September 25, 1959

BLACK AND WHITE PEPPER:

WORLD PRODUCTION AND TRADE

Summary

The 1958 world production of pepper is estimated at 147.0 million pounds, 14 percent below the 170.9 million pounds estimated for 1957.

Indonesian production last year was 14.9 million pounds less than in 1957. Sarawak production declined 9.5 million pounds, due primarily to lower prices. Revised estimates of Indian production during 1958 of 60.0 million pounds, was about equal to production during the previous year.

Indonesia replaced India as the chief source of pepper for the United States in 1957. By maintaining exports to the Communist countries at about the 1957 level, India managed partly to offset the lower exports to the United States. Total U. S. imports of 38.0 million pounds were 9 percent ahead of those in 1957 and about equal to the high 1956 imports of 39.6 million pounds.

Pepper prices have been falling significantly each year since 1951, and this trend continued during 1958; however, the spread between the 1958 average price and the 1957 price, was smaller than at any time since 1951.

1959 Production Forecasts: World production of pepper during 1959, forecast at 149.5 million pounds, is only slightly higher than last year. More could be produced, however, if there is a significant price rise.

In Indonesia production is expected to show some improvement over 1958, and is forecast at 42.0 million pounds. Plantings during 1949 and 1950 should insure production at least at this level, provided returns to growers are satisfactory. Too, more stable political conditions may help increase output.

In Sarawak a further decline in output is expected, with 1959 production forecast at 19.0 million pounds. The low prices have discouraged pepper cultivation by those growers attracted during the period of high returns. With production back in the hands of producers dependent upon pepper for a livelihood, some improvement in output is expected after 1959.

India's production during 1959 is forecast at 60.0 million pounds, unchanged from 1958. With the loss of much of the U. S. market during the past few years, and low pepper prices, production is not expected to increase.

Production in the rest of the world remains relatively small and unimportant in world trade; however small increases in output are expected.

PRODUCTION ^{1/}

Pepper, the world's most popular spice, is the dried ripe berry of a perennial climbing vine. The plant is native to Indonesia, the world's largest exporter, but India is the largest producer. Sarawak's production increased rapidly after World War II and reached a record level during 1956. It has since declined. These 3 countries produced 82 percent of the world total during 1958.

Black and white pepper are both the product of the same plant. Black pepper refers to the berries picked before fully ripe, dried, cleaned and marketed. White pepper refers to berries left on the vine until fully ripe, picked and soaked in water to remove the outer hull. The white seed remaining is then washed, dried and shipped.

Pepper is known to the trade under a variety of names. These names refer to the country or place of origin, or to the port from which it is shipped. Some of the better known varieties of black pepper are Alleppey and Tellicherry from India; Lampong from Indonesia, and Sarawak Black. Varieties of white are Muntok White from Indonesia and Sarawak White.

Eastern Hemisphere: Indonesian output of pepper during 1958 is estimated at 38.2 million pounds, compared with 53.1 million and 52.8 million pounds during 1957 and 1956. Production last year consisted of 30.0 million pounds of black and 8.2 million pounds of white pepper. The quantity of black pepper was about equal to the 29.4 and 29.1 million pounds produced during the previous 2 years. However, the outturn of white pepper (8.2 million pounds) was much lower than the 23.7 and 23.6 million pounds during 1957 and 1956. This reduction in white pepper was unexpected since most of it is produced on the islands of Bangka and Billiton. The decline could be a result of low prices, neglect of gardens and spread of disease. Pests and diseases in Bangka cause much damage. Yellow disease, which attacks roots, is the most serious obstacle to pepper production.

^{1/} Includes pepper produced for domestic consumption in India, Ceylon, Indochina, Thailand, and Brazil.

A decrease in production of black pepper during 1957 had been expected, but did not occur. During the 10-year period 1946-1955, production of black pepper had exhibited a regular "on" and "off" year. However, since 1956 black pepper production has remained relatively stable. Apparently new plantings made during 1949 and 1950 entering into full production during 1956 and 1957, disrupted the cyclical pattern.

Unregistered shipments of pepper between Indonesia and Singapore were high during 1958. Most of this trading was between the island of Sumatra and Singapore, and was heaviest during the early months of 1958. That the greater part of this illegal trade involved Sumatra apparently was related to the hostile attitude of the island toward the central government during this period.

With the restoration of more peaceful conditions, the volume of unregistered shipments declined. During 1959 this type of trading is expected to drop; however, it appears too well established ever to be completely terminated.

Sarawak's 1958 production of 21.8 million pounds, was 9.5 million below the 1957 level, and 22.6 million pounds smaller than the record 44.4 million pounds produced during 1956. Production last year was the smallest since 1953.

This rather sharp decline is attributed to "foot rot" disease and to low prices. This disease is reported to not only shorten the productive economic life of the plant by at least 50 percent, but yields are also reduced prior to the death of the plant.

The Sarawak Department of Agriculture has a plant pathologist working full time on pepper, plus a new laboratory for experimental work. Recently an agronomist was added to the staff, devoting full time to pepper breeding, hoping to develop disease-resistant varieties.

Another reason for the sharp decline in production is that the high prices of recent years had stimulated speculative planting of pepper by persons not usually dependent upon it as a livelihood. Now, however, it is felt that production is back in the hands of experienced producers, and should increase somewhat after 1959.

The Government of Sarawak endorsed a recommendation of the Marketing Advisory Committee that it undertake to market its pepper directly, bypassing Singapore. This goal will not be easy, since some Singapore dealers have gardens of their own and finance Sarawak growers. Additionally, the adequate grading, cleaning, packaging, storing facilities and shipping service available at Singapore will make bypassing difficult.

India is estimated to have produced 60.0 million pounds of pepper during 1958, compared with the revised estimates for 1957 and 1956 of 61.2 and 61.6 million

pounds, respectively. While the revised estimates are considerably lower than the original estimates, India continues to produce more pepper than any other country. Even so, the internal consumption is high, and reduces the quantity available for export.

Prior to 1942, the greater part of the Indian crop was consumed in India, since it was a cheap commodity and added flavor to curries. After 1942, however, with the rise in prices, chillies were substituted for pepper. With this substitution and remunerative prices for pepper in world markets, India became the largest exporter from 1947 to 1955. Indonesia replaced India in the latter year. With the lower prices during the past few years, domestic consumption has been rising and is estimated at between 26 to 30 million pounds.

Increased production in Indonesia and Sarawak has resulted in India losing its prominent position in the U. S. market. However, vigorous export promotion work, abolition of the export duty, inclusion of pepper in the list of export items under bilateral trade agreements, and stepped up sales to Communist countries have helped India maintain a high export level.

Malaya's importance in the pepper trade continues to be vested in Singapore, the emporium for Sarawak and Indonesian pepper. While some pepper is grown in Malaya, it is overshadowed as a producer by the marketing operations in Singapore. Stocks of pepper reported in Singapore during the second week of March 1959 were 11.8 million pounds, of which only 1.8 million pounds was white pepper.

Ceylon still uses most of the pepper it grows. The Agricultural Products Regulations Act, compels importers to buy a certain proportion of domestic pepper whenever imports are made. Also, pepper is among the commodities placed under the Guaranteed Price Scheme.

Prewar Indochina was an important producer of pepper. However, disease and war there have kept production from returning to earlier levels. With the end of the fighting, Indochina, as a geographical designation, was replaced by Cambodia, Laos, and Vietnam.

Cambodia is estimated to have produced 90 percent of the Indochinese prewar total. All Cambodia pepper goes to France and sells well above the New York price. The crop which is harvested from February to June is grown mainly on the Gulf of Thailand. In recent years it has again become a leading export crop.

Thailand once exported pepper, but production declined. Renewed interest was shown about 1948 when prices began to become attractive. In 1955 the Agricultural Department began to stimulate production for domestic needs and for export. Part of this program was the distribution of free cuttings and the publishing of information on the proper methods of planting and cultivating. While prices during recent years haven't encouraged production, 1958 output is estimated at 1.5 million pounds.

Tahiti may start exporting small quantities of pepper in the next 2 to 4 years. The Agricultural Experiment Station near Papeete has some 2,000 thriving pepper plants.

Western Hemisphere: Brazil was the first country in this hemisphere to produce pepper commercially. The industry has been aided by a ready domestic market for 3 to 4 million pounds annually. Increases in production to 10 million pounds in 3 or 4 years is expected.

Pepper plants also are being cultivated successfully in Puerto Rico. The U. S. Department of Agriculture is conducting experiments with pepper there to determine whether it is economically possible to grow it on a commercial scale. Plants are also being cultivated successfully in Jamaica.

TRADE

Since attaining a postwar high of 126.5 million pounds during 1956, world net exports of pepper have declined during the past 2 years. They amounted to 98.8 million pounds in 1958, down 17.2 million pounds from 1957, Indonesian exports were down 12 percent, Sarawak 29 percent, and India 9 percent from the preceding year. The reduced exports from the first 2 countries is believed due to the low prices. Smaller shipments to the United States was a contributing factor in the case of India.

Sarawak's 1958 exports amounted to 21.8 million pounds, down 29 percent from 1957 and 51 percent below 1956. Black pepper exports during 1958 totalled 10.3 million pounds compared with 25.6 million pounds a year earlier. White pepper exports, however, increased from 5.1 million pounds in 1957 to 11.5 million pounds last year. Singapore was the largest single market, and accounted for 70 percent of the pepper shipped from Sarawak. Morocco and the United States ranked second and third.

Pepper exports from Indonesia during 1958 declined 12 percent from the previous year. The decrease was in white pepper. The quantity of black pepper shipped was ahead of the 1957 total. Singapore remained as the primary outlet, followed by the United States, and United Kingdom. The Netherlands was eliminated as a market last year.

The Soviet Union replaced the United States as the largest buyer of Indian pepper during 1958. Exports to the U.S.S.R. totaled 10.6 million pounds, compared with 11.0 million pounds a year earlier and 4.5 million pounds during 1956. The United States has traditionally been India's best pepper customer, but during the past few years, exports to the United States have been on the decline. During 1958 exports amounted to only 8.5 million pounds, compared with 11.5 million during 1957 and 13.6 million pounds during 1956. Total Indian exports to the Communist countries were at about the 1957 level.

Ceylon remained relatively unimportant as an exporter of pepper during 1958, even though exports were more than double those of any previous year.

Cambodian pepper traditionally goes to France where it finds a ready market. The quantity exported is relatively small, amounting to 1.3 million pounds during 1958, and is priced higher than that available from other countries.

Brazil's exports have increased from only 165 thousand pounds during 1956 to 1.3 million pounds during 1958. The United States, who had been the best customer during the previous 2 years, was replaced by Argentina last year.

U. S. SITUATION

U. S. imports of black and white pepper during 1958 totalled 38.0 million pounds, 3.1 million more than during 1957 but still 1.6 million pounds less than the high 1956 imports. There appears to be an upward trend in U. S. pepper use. Imports during the 5-year period 1946-50 averaged 28.3 million pounds, during 1950-54 this average was 30.8 million pounds, and during the 4-year period 1955-58 imports averaged almost 37.0 million pounds. With continued ample supplies and prices remaining at, or near, present levels, consumption is expected to increase.

Imports from India last year of 7.3 million pounds were the lowest since 1946. India's importance in the U. S. market was brought about by World War II and the Japanese occupation of Indonesia and Sarawak. With no outlet for pepper, the industry almost disappeared from these 2 important producers. During this time India increased its production and became the leading U. S. source of pepper.

U. S. imports of Indonesian pepper during 1958 were 26.3 million pounds, 10.1 million pounds more than during the previous year. The bulk of this pepper was first shipped to Singapore and not imported directly from Indonesia.

Pepper, other spices, and food entering into U. S. interstate commerce or imported into the United States are subject to the provisions of the Federal Food, Drug, and Cosmetic Act, as Amended. The Food and Drug Administration, U. S. Department of Health, Education and Welfare administers this act. There are no special requirements for imported spices or other imported foods. The act applies equally to imported articles and articles in the domestic commerce of the United States.

For the benefit of foreign manufacturers and shippers, the provisions of this act have been set forth in nontechnical language in a publication entitled, "Requirements of the United States Food, Drug, and Cosmetic Act - A Guide For Foreign Manufacturers and Shippers."

Through the years the greatest problem in importing pepper into the United States has been cleanliness. Cooperation between Indian shippers and the U. S. spice trade has resulted in pepper arriving from India in good condition.

During 1953 a cooperative study was undertaken between the American Spice Trade Association and the Stored-Product Insects Section, Agricultural Marketing Service, U. S. Department of Agriculture, to investigate the insect problem in imported whole pepper as well as the possible relationship of such infestation to mold growth. The paper published as a result of this undertaking, Studies on the Storage and Shipment of Whole Black Pepper Grown in the Orient, recommended the use of polyethylene liners for shipping pepper to the U. S. Properly cleaned pepper so shipped from India has arrived in excellent condition. Additionally, this study indicated that properly dried pepper could be stored in these bags through more than one rainy season without danger of mold growth. Since some pepper is normally held over in the producing countries and mixed with the first pickings of the new crop, adoption of this suggestion would apparently result in less loss due to mold growth.

This Circular contains more detailed information than the summary of the same title published in the monthly supplement of Foreign Crops and Markets of September 24, 1959.

PEPPER, BLACK AND WHITE: Estimated world production, 1/ Forecast 1959 with comparisons

Producing Area	Average		1955	1956	Preliminary		Forecast
	1935-39	1950-54			1957	1958	
Million pounds							
Asia:							
Indonesia.	128.6	19.4	30.2	52.8	53.1	38.2	42.0
Sarawak.	5.3	13.4	37.1	44.4	31.3	21.8	19.0
India.	33.1	58.8	58.2	61.6	61.2	60.0	60.0
Ceylon	2/ 5.0	10.5	13.5	11.5	13.7	13.9	14.0
Other Asia 3/	11.5	4.5	3.5	4.3	4.6	4.8	5.0
Total Asia	183.5	106.6	142.5	174.6	163.9	138.7	140.0
Africa 4/	0.7	1.8	1.7	1.6	1.9	2.0	2.0
Latin America 5/	--	1.4	2.7	3.0	5.1	6.3	7.5
World total.	184.2	109.8	146.9	179.2	170.9	147.0	149.5

1/ Total production: India, Madagascar, Ceylon, Indochina, Thailand, Brazil; exportable production:

Indonesia, Sarawak, Other Asia.

2/ Foreign Agricultural Service estimate.

3/ Includes Indochina, Malaya, Thailand.

4/ Includes Madagascar, Belgian Congo, British Southern Cameroons.

5/ Brazil only.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.

PEPPER, BLACK AND WHITE: World net exports, averages 1935-39, 1950-54; annual 1955 to 1958

Country of Origin	Average		1955	1956	1957	1958 1/
	1935-39	1950-54				
Thousand pounds						
Asia:						
Indonesia.	128,663	17,023	35,768	51,114	45,573	39,887
Sarawak.	5,303	13,421	36,496	44,381	30,771	21,782
India.	2/ 2,349	31,353	27,548	27,388	34,585	31,616
Ceylon.	70	503	567	632	681	1,603
Other Asia 3/	2,522	2,249	1,543	1,605	2,214	1,274
Total Asia.	145,907	64,549	101,922	125,120	113,824	96,162
Africa 4/	475	906	1,715	1,213	1,054	6/ 1,300
Latin America 5/	--	--	--	165	1,175	1,351
World total.	146,382	65,455	103,637	126,498	116,053	98,813

1/ Preliminary.

2/ Average five year period, April 1, 1935 - March 31, 1940.

3/ Includes Indochina, Thailand.

4/ Includes Madagascar, Belgian Congo, British Southern Cameroons.

5/ Brazil only.

6/ Estimate.

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